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Attorneys for Certain Fire Victim Claimants

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

In re ) Case No. 19-30088 (DM)  
PG&E CORPORATION, )  
and ) Chapter 11  
PACIFIC GAS AND ELECTRIC ) (Lead Case)  
COMPANY ) (Jointly Administered)  
Debtors )

Affects:  
☐ PG&E Corporation  
☐ Pacific Gas & Electric Company  
☒ Both Debtors

**OPPOSITION TO MOTION OF DEBTORS  
PURSUANT TO 11 U.S.C. §§ 105(a), 363(b),  
AND 507 AND FED. R. BANKR. P. 6003 AND  
6004 FOR INTERIM AND FINAL  
AUTHORITY TO (I) PAY PREPETITION  
WAGES, SALARIES, WITHHOLDING  
OBLIGATIONS, AND OTHER  
COMPENSATION AND BENEFITS; (II)  
MAINTAIN EMPLOYEE BENEFITS  
PROGRAMS; AND (III) PAY RELATED  
ADMINISTRATIVE OBLIGATIONS**

Date: February 27, 2019  
Time: 9:30 a.m. (Pacific)  
Place: United States Bankruptcy Court  
Courtroom 17, 16th Floor  
San Francisco, CA 94102

1 Andrew Armstrong; Annie Curtis; Jackie Easton and Ray LeLoup; James Finn; Lillian  
2 Lazzeri; Tim Shurtliff; Marc Thomas and Susan Thomas; Kristina Wuslich; Lisa Yoshida; and  
3 Doreen Zimmerman (collectively, the “SLF Fire Victim Claimants”), hereby oppose the Motion of  
4 Debtors Pursuant to 11 U.S.C. §§ 105(A), 363(B), and 507 and Fed. R. Bankr. P. 6003 and 6004 for  
5 Interim and Final Authority to (i) Pay Prepetition Wages, Salaries, Withholding Obligations, and  
6 Other Compensation and Benefits; (ii) Maintain Employee Benefits Programs; and (iii) Pay Related  
7 Administrative Obligations (“Motion”)<sup>1</sup> filed by debtors PG&E Corporation and Pacific Gas and  
8 Electric Company (collectively, “PG&E” or the “Debtors”) to the extent that the Debtors seek  
9 authorization to pay their Employees in STIP (Short-Term Incentive Plan) Awards.

10 The Butte Fire began on September 9, 2015, in Amador County. It burned more than 70,000  
11 acres in Amador and Calaveras Counties, destroying over 700 structures and killing two (2) people.  
12 Governmental entities, subrogating insurance companies, and over 4,000 individual plaintiffs filed  
13 suit against PG&E, and the Judicial Council ordered the cases coordinated in Sacramento County  
14 Superior Court. Plaintiffs and PG&E put together a mediation protocol and settled the majority of the  
15 cases, including those of all of the subrogating insurers, over 3,000 individual plaintiffs, and the  
16 County of Calaveras. The remaining unsettled cases include approximately 1,000 individuals, the  
17 State of California, and several smaller municipalities.

18 The Singleton Law Firm (“SLF”) represents the 11 fire victims named above, plus  
19 approximately 3,500 additional individuals who were victims of the 2015 Butte, 2017 North Bay and  
20 the 2018 Camp Fires. Of these, approximately 700 are Butte Fire victims.

21 The SLF Fire Victim Claimants object to the proposed \$130 million in bonuses requested by  
22 PG&E. While the claimants understand the Debtors need to retain quality people, giving the  
23 executives of a company whose failed safety practices have driven it into bankruptcy sends exactly  
24 the wrong message to the utility industry, the victims, and the public. By definition, a “bonus” is an  
25 amount of money paid in addition to a salary, typically as a reward for good performance. However,

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27 <sup>1</sup> All capitalized terms used herein but not otherwise defined shall have the same meanings given to them in the  
28 Motion.

1 PG&E's safety record over the past few years is appalling.<sup>2</sup> Indeed, from 2015 to 2018, there was  
2 only one year (2016) in which PG&E did not start at least one fire that killed multiple people and  
3 burned tens of thousands of acres. While the SLF Fire Victim Claimants are not requesting that the  
4 Court lower the current salaries of PG&E's executives, rewarding the very people whose failure to  
5 comply with basic safety practices killed scores of people and destroyed nearly 20,000 homes in  
6 Northern California over the past 4 years adds insult to injury for the victims. By rewarding the very  
7 people who caused these catastrophes, it also sends the wrong message to the executives of other  
8 utilities.

9 However, safety is not the only category in which PG&E's performance has fallen short. It  
10 has failed economically. In just the past year, its stock has lost over 60% of its value, costing its  
11 shareholders billions of dollars. Under what economic theory are the managers who lost billions for a  
12 company entitled to over \$100 million in bonuses?

13 Given PG&E's poor record in both safety and business, bonuses at this time simply are not  
14 appropriate. This money would be much better spent being used to compensate PG&E's victims than  
15 in rewarding the very executives whose decisions caused these catastrophes.

16 This is particularly true given the status of the Butte Fire cases. The mediation process  
17 negotiated by Plaintiffs and PG&E was resulting in the settling of 40-50 cases per month at the time  
18 PG&E filed bankruptcy. If PG&E had not filed, then all individual cases likely would have been  
19 resolved by late summer 2019. The amount of money PG&E is requesting for bonuses (\$130 million)  
20 is very close to the amount that would be required to resolve all remaining individual cases.

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25 <sup>2</sup> See, *inter alia*, the recent order to show cause issued by the California Public Utilities Commission on December 14,  
26 2018, regarding PG&E's alleged failure to comply with safety inspections requirements for years. (<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M246/K120/246120841.PDF>.) PG&E subsequently admitted that its managers  
27 pressured employees to falsify the "tens of thousands" of inspections: <https://www.nbcbayarea.com/investigations/PGE-Shakes-Up-Management-After-Regulators-Accuse-Utility-of-Falsifying-Safety-Inspections-502988162.html>. This comes  
28 on the heels of PG&E's felony conviction in San Francisco Federal District Court for violating safety practices in connection with the 2010 San Bruno explosion that killed eight (8) people.

1           Accordingly, rather than giving \$130 million in bonuses to PG&E's executives, Plaintiffs  
2 respectfully submit that this money should be used to resolve as many as possible of the remaining  
3 Butte Fire cases, as the Butte Fire Plaintiffs have been waiting nearly 3 and 1/2 years for relief.  
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5 Dated: February 20, 2019

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